



For Immediate Release

**MERCER INTERNATIONAL INC. ANNOUNCES COMPLETION OF CONTRIBUTION AGREEMENT WITH THE GOVERNMENT OF CANADA**

NEW YORK, NY, February 16, 2009 -- Mercer International Inc. (Nasdaq: MERC, TSX: MRI.U) today announced that its Celgar mill has signed a contribution agreement ("Contribution Agreement") with the Canadian federal government pursuant to Canada's *ecoEnergy for Renewable Power Program*. The program was established to increase Canada's supply of clean electricity from renewable sources, such as biomass, by providing funding for renewable energy projects such as the Celgar mill's new green energy project (the "Celgar Energy Project").

Under the Contribution Agreement, the Celgar mill is eligible to receive incentive payments of up to a maximum of C\$29.9 million over a period of ten years based on the delivery of a certain level of energy production by the Celgar Energy Project. The incentive payments are payable quarterly and are formula based. Receipt of the incentive payments is subject to the Celgar Energy Project meeting certain environmental requirements.

The Celgar Energy Project was commenced in May 2008 and includes the installation of a 48 megawatt ("MW") condensing turbine which is expected to bring the Celgar mill's installed generating capacity up to 100 MW. Earlier this year, the Celgar mill finalized a ten year energy purchase agreement with BC Hydro and Power Authority for the sale of power generated from the Celgar Energy Project.

Mercer International Inc. is a global pulp manufacturing company. To obtain further information on the company, please visit its web site at <http://www.mercerint.com>.

*The preceding includes forward looking statements which involve known and unknown risks and uncertainties which may cause our actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: the highly cyclical nature of our business, our level of indebtedness, raw material costs competition, foreign exchange and interest rate fluctuations, our use of derivatives, expenditures for capital projects, environmental regulation and compliance, disruptions to our production, market conditions and other risk factors listed from time to time in our SEC reports.*

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